



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

CONSENT TO ASSIGNMENT OF STATE LEASE NO. DOT-A-06-0001
OFFSHORE FLIGHT SCHOOL, INC. TO RESORT AIR, LLC
HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Consent to Assignment of State Lease No. DOT-A-06-0001 from Offshore Flight School, Inc., as Lessee/Assignor, to Resort Air, LLC, as Assignee, South Ramp, Honolulu International Airport

LEGAL REFERENCE:

Subsection 171-36(a) (5) (B), Hawaii Revised Statutes, as amended

APPLICANTS:

LESSEE/ASSIGNOR: Offshore Flight School, Inc., a Hawaii corporation, having a mailing address at 100 Iolana Place, Honolulu, Hawaii 96819

ASSIGNEE: Resort Air, LLC, a Hawaii limited liability company, having a mailing address at 1100 Alakea Street, Suite 2500, Honolulu, Hawaii, 96813

AREA:

Area/Space No. 011-111, containing a land area of approximately 13,440 square feet and shown on the attached Exhibit B

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-76:12

ZONING:

State Land Use District: Urban District
City and County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands ("non-ceded" lands) of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES __ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a hangar facility

TERM OF LEASE:

Twenty (20) years, commencing on September 1, 2006 and expiring on August 31, 2026

ANNUAL GROUND LEASE RENTAL:

\$22,713.60 per annum, payable in quarterly installments of \$5,678.40

REOPENING OF ANNUAL GROUND LEASE RENTAL:

Remaining Three, 5-Year Rent Reopening Periods: The reopening annual ground lease rental for the remaining three, 5-year rent reopening periods shall be the fair market rental as determined by an independent appraiser whose services shall be contracted for and paid by the Department of Transportation at the time of reopening.

CONSIDERATION:

\$100,000.00

RECOMMENDED PREMIUM:

\$50,000.00

DCCA VERIFICATION:

LESSEE / ASSIGNOR:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

REMARKS:

By way of a letter dated November 11, 2006 from Island Title Corporation, Offshore Flight School, Inc. (OFS) and Resort Air, LLC (RA) entered into escrow and requested that the DOT-A consent to an assignment of State Lease No. DOT-A-06-0001 (Lease) from OFS to RA. A Purchase and Sale Agreement dated October 5, 2006 executed by the parties establishes a closing date of five business days after OFS delivers to RA copies of all requisite written consents from the State of Hawaii consenting to the assignment of the Lease.

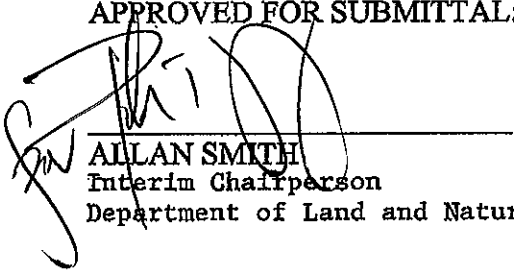
RECOMMENDATION:

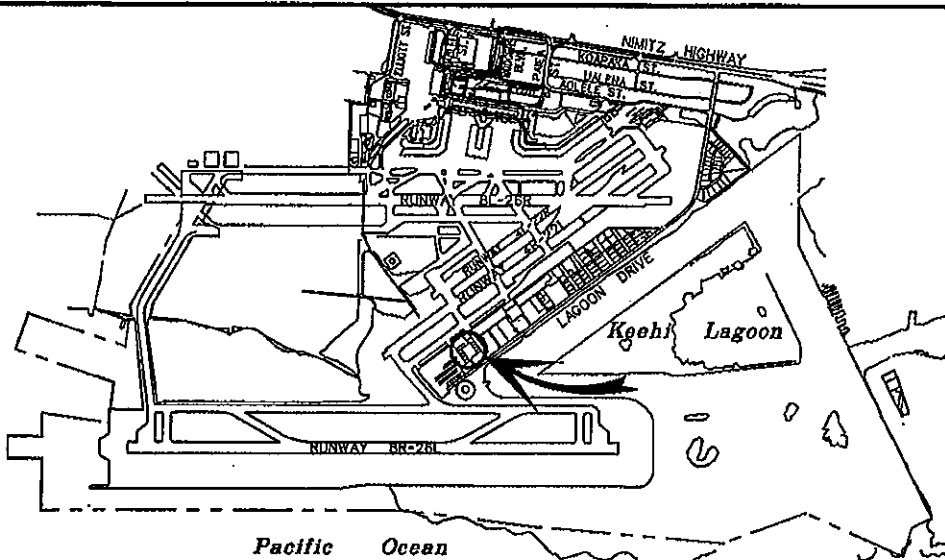
That the Board approves of and gives its consent to the Assignment of Lease No. DOT-A-06-0001 as herein outlined, subject to: (1) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (2) review and approval of the Department of the Attorney General as to the form and content of the Lessor's Consent to the Assignment of Lease No. DOT-A-06-0001.

Respectfully submitted,


BARRY FUKUNAGA
Director of Transportation

APPROVED FOR SUBMITTAL:

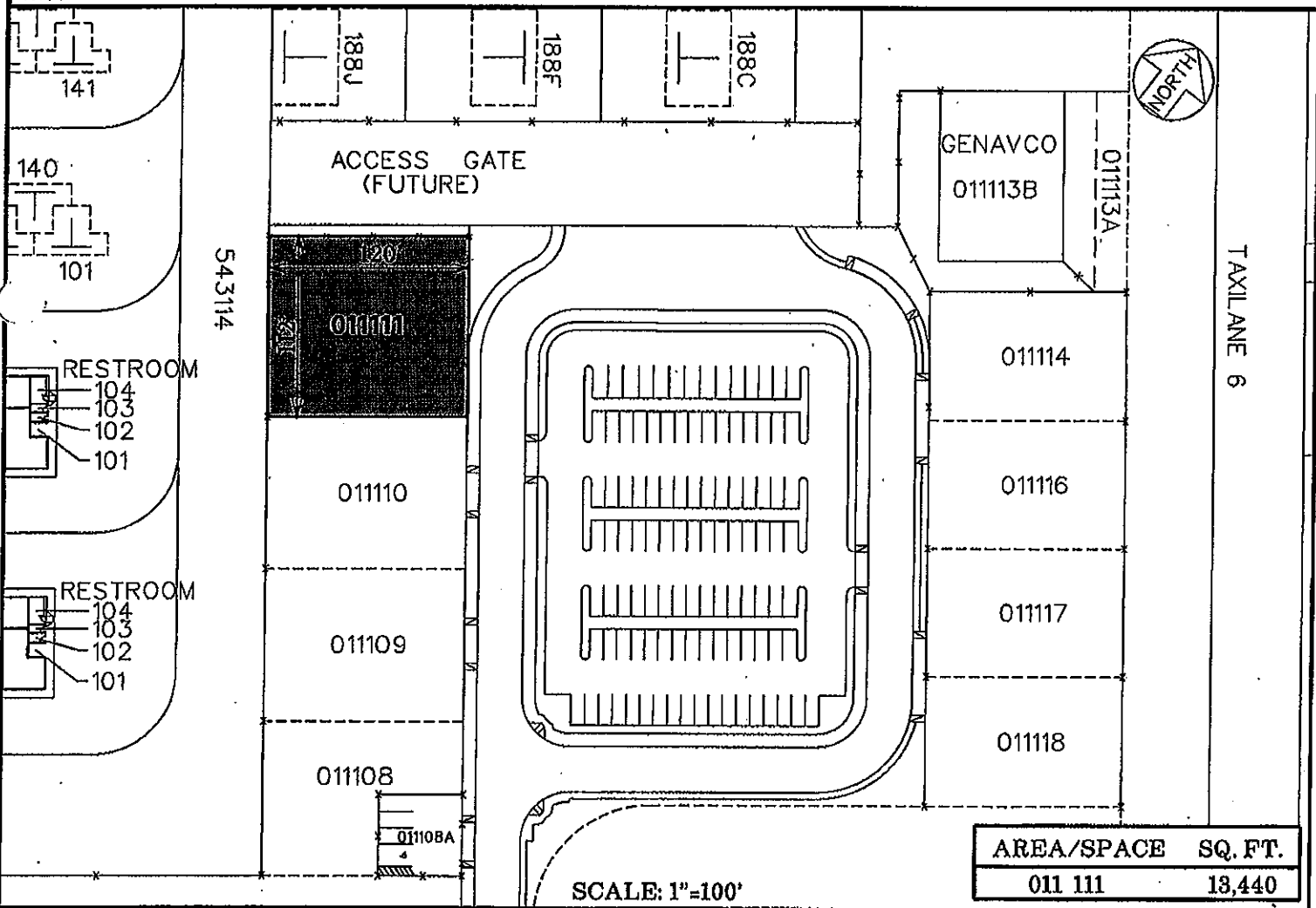

ALLAN SMITH
Interim Chairperson
Department of Land and Natural Resources



Pacific Ocean

LOCATION PLAN

500011



AREA/SPACE	SQ. FT.
011 111	13,440

SCALE: 1"=100'

DATE: JUNE 2004

EXHIBIT: **B**

Airports Division

OFFSHORE FLIGHT
SCHOOL, INC.

LOTS
SOUTH RAMP

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PLAT 45

HONOLULU INTERNATIONAL AIRPORT

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